

**Managed Risk Medical Insurance Board**  
**Illustrative Examples of Actions in the Healthy Families Program**  
**That May Be Needed with Flat Federal Funding (\$791 Million per year)**

Possible Board Action	Assumptions	Impact on Program and Federal Funds
<ul style="list-style-type: none"> <li>Freeze new enrollments</li> <li>Establish a waiting list</li> <li>Do not fill vacant slots created by disenrolled subscribers</li> </ul>	<ul style="list-style-type: none"> <li>Freeze new enrollments January 1, 2008</li> <li>Slots not filled include disenrollments for non-payment of premium, reaching age 19, requested disenrollments, Annual Eligibility Review (AER) disenrollments (missing information, income does not qualify, on No Cost Medi-Cal)</li> <li>Un-filled slots per month approximately 17,000</li> </ul>	<ul style="list-style-type: none"> <li>Saves \$50 Million in Federal Funds (FF) – January 2008 thru September 2008</li> <li>By November 2008, total enrollment drops to levels sustainable by flat funding level of \$791 Million in annual federal funds</li> </ul>
<ul style="list-style-type: none"> <li>Freeze new enrollments</li> <li>Establish a waiting list</li> <li>Do not fill vacant slots created by disenrolled subscribers</li> <li>Do not renew any subscriber at their next AER until total enrollment drops to levels sustainable by flat funding level of \$791 Million in annual federal funds</li> <li>After sustainable enrollment level is reached, maintain a capped enrollment level</li> </ul>	<ul style="list-style-type: none"> <li>Cease AER renewals January 2008</li> <li>Approximately 64,000 subscribers will not be renewed at AER per month</li> <li>Slots not filled include disenrollments for non-payment of premium, reaching age 19, requested disenrollments</li> <li>Un-filled slots per month approximately 8,000</li> </ul>	<ul style="list-style-type: none"> <li>Saves \$240 million in FF – January 2008 thru September 2008</li> <li>By May 2008, total enrollment drops to levels sustainable by flat funding level of \$791 Million in annual federal funds</li> <li>Enrollment drop would have to continue 1-2 months beyond May 2008 to achieve needed savings in the current FFY; and then be allowed to build back to sustainable annual level by FFY 2009</li> </ul>

Note: These illustrative examples assume no reduction to other S-CHIP funded programs. Impact to the Healthy Families Program would be lessened to the degree program reductions are made to other S-CHIP funded programs.

Note: These illustrative examples assume no reduction to other S-CHIP funded programs. Impact to the Healthy Families Program would be lessened to the degree program reductions are made to other S-CHIP funded programs.